

# EXECUTIVE OFFICE

## PUBLIC ACT 310 OF 1998

Analyst: Robin Risko

	FY 1997-98 YEAR-TO-DATE APPROPRIATIONS	FY 1998-99 ENACTED APPROPRIATION	FY 1998-99 ENACTED CHANGE FROM FY 1997-98	
			AMOUNT	PERCENT
FTE POSITIONS	85.0	85.0	0.0	0.0
GROSS	\$4,931,800	\$5,100,400	\$168,600	3.4
IDG/IDT	0	0	0	0.0
ADJUSTED GROSS	\$4,931,800	\$5,100,400	\$168,600	3.4
FEDERAL	0	0	0	0.0
LOCAL	0	0	0	0.0
PRIVATE	0	0	0	0.0
OTHER	0	0	0	0.0
GF/GP	\$4,931,800	\$5,100,400	\$168,600	3.4

### HB 5595

Referred to  
Appropriations  
02/19/98

Passed House  
05/13/98

Passed Senate  
05/27/98

Conference  
Approved by House  
07/01/98

Conference  
Approved by Senate  
07/01/98

Effective  
07/30/98



## OVERVIEW - EXECUTIVE OFFICE

The Executive Office provides funding for the Governor, the Lieutenant Governor, their staffs, and for the Office of Regulatory Reform. The Governor is elected by the people to a four-year term and, as Chief Executive Officer of the State, does the following:

- ! Provides program and policy direction for the Executive branch;
- ! Supervises the principal departments of the Executive branch;
- ! Reviews and recommends statutory changes for legislative action;
- ! May direct an investigation of any department of state government and may require written information from executive and administrative state officers on any subject relating to the performance of their duties;
- ! May remove elective and appointive officers of the Executive branch for cause, as well as elective county, city, township, and village officers;
- ! Submits messages to the Legislature and recommends measures considered necessary or desirable;
- ! Appoints directors of departments and appoints members to state boards and commissions;
- ! Submits an annual state budget to the Legislature, recommending sufficient revenues to meet proposed expenditures;
- ! May convene the Legislature in extraordinary session;
- ! May call special elections to fill vacancies in the Michigan House and Senate; may fill vacancies in the U.S. Senate by appointment;
- ! May grant reprieves, commutations of sentences, and pardons;
- ! May seek extradition of fugitives from justice who have left the state and may issue warrants at the request of other governors for fugitives who may be found within the state;
- ! Signs all commissions, patents for state lands, and appoints notaries public and commissioners in other states to take acknowledgments of deeds for this state;
- ! Serves as Chairperson of the State Administrative Board, which supervises and approves certain state expenditures, and has veto power over its actions; and
- ! Serves as Commander-in-Chief of the state's armed forces.

The Lieutenant Governor is nominated at party convention and is elected with the Governor. The term of office, beginning in 1966, changed from two years to four years. The Lieutenant Governor:

- ! Performs gubernatorial functions in the Governor's absence;
- ! Serves as President of the Michigan Senate, but may vote only in the case of a tie;
- ! May perform duties requested by the Governor, but no power vested in the Governor by the State Constitution of 1963 may be delegated to the Lieutenant Governor;
- ! Serves as a member of the State Administrative Board;
- ! Represents the Governor at a variety of functions; and
- ! Succeeds the Governor in case of death, impeachment, removal from office, or resignation.

*continued . . .*

**OVERVIEW - EXECUTIVE OFFICE** *continued*

The Office of Regulatory Reform is charged with removing unnecessary regulations which impact the business community and with simplifying complex rules where possible. The Office also provides citizens with better and easier access to proposed changes in administrative rules, with information on the rules process, and with the status of new rules.

Public Act 310 provides \$5,100,400 in Gross and GF/GP appropriations for the Executive Office. This reflects an increase in Gross and GF/GP appropriations of \$168,600, or 3.4%, over the current year appropriated levels.

**MAJOR BUDGET CHANGES: FY 1998-99**

<b><u>Budget Issue</u></b>		<b><u>Change from FY 1997-98</u></b>
<b>1. State Officers Compensation Commission (SOCC) Adjustments</b>	FTEs	0.0
	<b>Gross</b>	<b>\$6,400</b>
Included is \$6,400 (Gross and GF/GP) to cover the cost of the 3% salary increase provided by SOCC for the Governor and the Lieutenant Governor (\$3,700 Governor; \$2,700 Lieutenant Governor). The Governor's salary will be \$130,800 and the Lieutenant Governor's salary \$96,500.	GF/GP	\$6,400
<b>2. Unclassified Positions</b>	FTEs	0.0
Included is \$20,000 (Gross and GF/GP) for a 3% salary increase for the unclassified positions.	<b>Gross</b>	<b>\$20,000</b>
	GF/GP	\$20,000

**ECONOMIC AND RETIREMENT ISSUES: FY 1998-99**

**ECONOMIC ISSUES**

<b>Economic Adjustments</b>	<b>Gross</b>	<b>\$118,300</b>
Included is \$118,300 (Gross and GF/GP) for standard economic increases associated with salaries and wages, and insurances for employees.	GF/GP	\$118,300

**RETIREMENT ISSUES**

<b>State Employees' Retirement System Adjustments</b>	<b>Gross</b>	<b>(\$117,700)</b>
Savings are reflected for retirement as a result of changing actuarial funding methods and assumptions in the State Employees' Retirement System.	GF/GP	(\$117,700)

**MAJOR BOILERPLATE CHANGES: FY 1998-99**

None

**VETOES: FY 1998-99**

None

**REVENUE INCREASES: FY 1998-99**

None

**SUPPLEMENTAL APPROPRIATIONS: FY 1997-98**

***State Employees' Retirement System Adjustment***

Savings are reflected as a result of changing actuarial funding methods and assumptions used to estimate funding requirements for the State Employees' Retirement System, made retroactive to September 30, 1997.

**Gross**  
GF/GP

**(\$141,600)**  
**(\$141,600)**

# LEGISLATIVE AUDITOR GENERAL

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	FY 1997-98 YEAR-TO-DATE APPROPRIATIONS	FY 1998-99 ENACTED APPROPRIATION	FY 1998-99 ENACTED CHANGE FROM FY 1997-98	
			AMOUNT	PERCENT
FTE POSITIONS	0.0	0.0	n/a	n/a
GROSS	\$12,894,800	\$13,804,300	\$909,500	7.1
IDG/IDT	1,362,900	1,527,100	164,200	12.0
ADJUSTED GROSS	\$11,531,900	\$12,277,200	\$745,300	6.5
FEDERAL	0	0	0	0.0
LOCAL	0	0	0	0.0
PRIVATE	0	0	0	0.0
OTHER	540,100	293,800	(246,300)	(45.6)
GF/GP	\$10,991,800	\$11,983,400	\$991,600	9.0

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## OVERVIEW - LEGISLATIVE AUDITOR GENERAL

The audit function for the State of Michigan is vested in the Legislative branch of government. The Legislative Auditor General is appointed to serve an eight-year term by a majority vote of the members of the House and Senate.

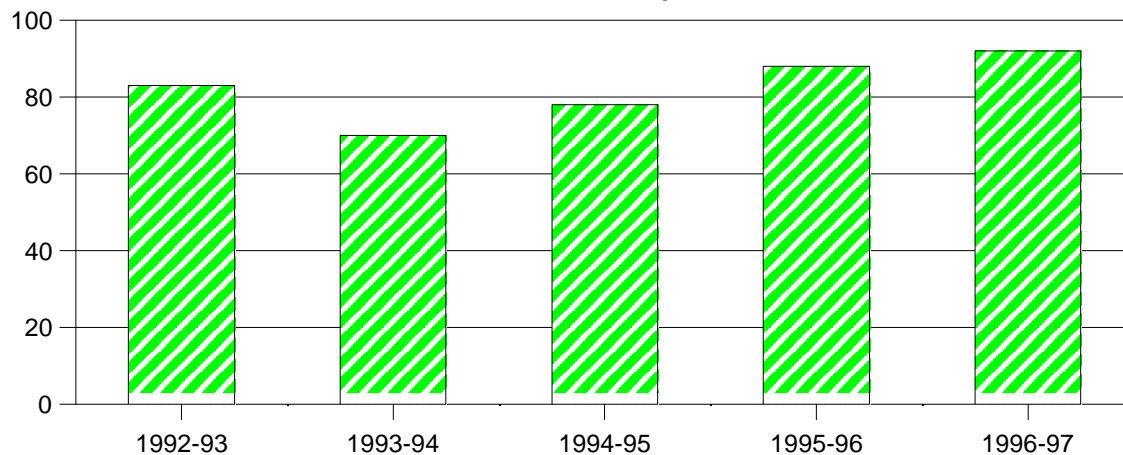
The mission of the Office of the Auditor General is to improve the accountability for public funds and to improve the operations of state government for the benefit of the citizens of the State of Michigan.

The Office of the Auditor General is responsible for conducting financial and performance audits of state government operations. These include financial audits of the State of Michigan Comprehensive Annual Financial Report, federal funds subject to the Federal Single Audit Act of 1984, and individual departments and agencies. Additionally, performance audits are conducted of selected state programs and operations, and individual projects and reports are completed in response to legislative requests. The resulting audit reports provide a continuing flow of information to assist the Legislature in its oversight of state government; provide citizens with a measure of accountability; and assist state departments and agencies in improving the financial management and the effectiveness, efficiency, and economy of the activities and programs approved by the Legislature. Following is a chart which details the number of audits completed for Fiscal Years 1992-93 through 1996-97.

Public Act 310 provides \$13,804,300 in Gross appropriations and \$11,983,400 in GF/GP appropriations for the Office of the Auditor General. This reflects an increase in Gross appropriations of \$909,500, or 7.1%, with an accompanying GF/GP appropriation increase of \$991,600, or 9.0%, over the current year appropriated levels.

## Number of Audits Completed

Fiscal Years 1992-93 through 1996-97



Source: FY 1993 - FY 1997 Annual Reports of the Michigan Office of the Auditor General



**MAJOR BUDGET CHANGES: FY 1998-99**

<u>Budget Issue</u>		<u>Change from FY 1997-98</u>
<b>1. Auditor General's Salary</b>	FTEs	0.0
Included is \$7,400 (Gross and GF/GP) for a 7.5% salary increase for the Auditor General.	<b>Gross</b>	<b>\$7,400</b>
	GF/GP	\$7,400
<b>2. Unclassified Positions</b>	FTEs	0.0
Included is \$3,300 (Gross and GF/GP) for a 3% salary increase for the unclassified positions.	<b>Gross</b>	<b>\$3,300</b>
	GF/GP	\$3,300
<b>3. Additional Auditor Positions</b>	FTEs	0.0
Included is \$290,100 (Gross and GF/GP) for eight additional auditor positions, to be phased in quarterly.	<b>Gross</b>	<b>\$290,100</b>
	GF/GP	\$290,100
<b>4. Fund Source Adjustments</b>	FTEs	0.0
Included is additional IDG and GF/GP funding, and a reduction in state restricted funding in order to reflect projected audit charges.	<b>Gross</b>	<b>\$0</b>
	GF/GP	\$82,100

**ECONOMIC AND RETIREMENT ISSUES: FY 1998-99**

**ECONOMIC ISSUES**

<b>Economic Adjustments</b>	<b>Gross</b>	<b>\$559,800</b>
Included is \$559,800 (Gross and GF/GP) for standard economic adjustments associated with salaries and wages, insurances for employees, motor transport, rent, travel, training, and equipment maintenance.	GF/GP	\$559,800

**RETIREMENT ISSUES**

<b>State Employees' Retirement System Adjustments</b>	<b>Gross</b>	<b>(\$395,600)</b>
Savings are reflected for retirement as a result of changing actuarial funding methods and assumptions in the State Employees' Retirement System.	GF/GP	(\$395,600)

**MAJOR BOILERPLATE CHANGES: FY 1998-99**

None

**VETOES: FY 1998-99**

None

**REVENUE INCREASES: FY 1998-99**

None

**SUPPLEMENTAL APPROPRIATIONS: FY 1997-98**

***State Employees' Retirement System Adjustment***

Savings are reflected as a result of changing actuarial funding methods and assumptions used to estimate funding requirements for the State Employees' Retirement System, made retroactive to September 30, 1997.

<b>Gross</b>	<b>(\$444,500)</b>
GF/GP	(\$444,500)